GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2820
ANSWERED ON:20.03.2017
Monitoring of e-Commerce Companies
Puttaraju Shri C.S.;Sathyabama Smt. V.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has taken note that some companies are violating foreign investment rules, if so, the details thereof during the last three years and the current year;

(b) whether the Government has any mechanism to check and monitor online trade of companies particularly foreign companies and their trading activities in India, if so, the details thereof and the company-wise performance in the last two months post demonetisation; and

(c) whether there is a huge increase in digital online trading after the announcement of demonetisation on 8th November, 2016 and if so, the details thereof including the companies both Indian and foreign engaged in online trading in India?

Answer

???????? ??? ?????? ???????????? (????????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a): The Government has initiated investigations against a number of e-commerce companies during the last three years and the current year for possible contraventions of Foreign Exchange Management Act (FEMA), 1999. Year-wise no. of cases are as under:-
<pre>

Sl. No. Year No. of cases being investigated under FEMA, 1999
01. 2014 04
02. 2015 06
03. 2016 05
04. Current year
(Upto February 2017) 03
</pre>

(b): There is no such separate mechanism. The e-Commerce companies have to comply with the Companies Act and other applicable laws of the country. Such companies with FDI can operate only in activities which are specifically permitted as per the 'Consolidated FDI Policy Circular of 2016'. Further, activities of e-Commerce companies inter-alia involve compliance of Shops and Establishment Act of the State concerned.

(c): No such assessment has been conducted by the Government.
*****